Streamlined Sales Tax--State Issues

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Let's Talk About…

- Disclaimer

- Estimated revenue to Idaho

- Cost to join Streamlined Governing Board

- Tax Administration issues-No federal legislation

- Tax Administration issues-With federal legislation

- Statutory Changes

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Disclaimer

The Tax Commission has no position on joining the Streamlined Sales Tax Agreement

Estimated Revenue To Idaho

- Current law: Use tax owed if no sales tax paid
  - Joining the agreement is not a new tax
- Without federal legislation
  - $1-3 million
- With federal legislation
  - $30- 50 million

- Estimates only

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Cost to Join Streamline Governing Board

- First year cost $26,000 (approx.)

- Upgrade Tax Commission GenTax system and internal processes (estimated $259,000)

- On-going software maintenance costs

Tax Administration-No Federal Law

- Little or no impact on Idaho retailers
  - Continue to collect, file and pay as they do now
  - Sales that need to be taxed or exempt almost the same
  - Exception for Idaho retailers that have already voluntarily registered with SSTGB
    - Would now file and remit to Idaho through certified service provider rather than filing directly with Idaho
- Out of state retailers that are voluntarily registered with SSTGB
  - Would now file and remit to Idaho via certified service provider

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Tax Administration-With Federal Law

- Little or no impact on Idaho retailers selling only in-state
  - Continue to collect, file and pay as they do now
  - Sales that need to be taxed or exempt almost the same
- Big impact on Idaho sellers making out-of-state sales
  - Even if Idaho joins streamlined or otherwise has to comply with federal law
  - Comply with collection requirements of any state they ship product to

Statutory Changes

- Many definitions need changing or added to statute

- Must align with Agreement
  - Not a big problem, few product based exemptions

  - One area that affects taxability is prescription drugs
  - Streamline definition broader than Idaho

  - Why bother then?

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